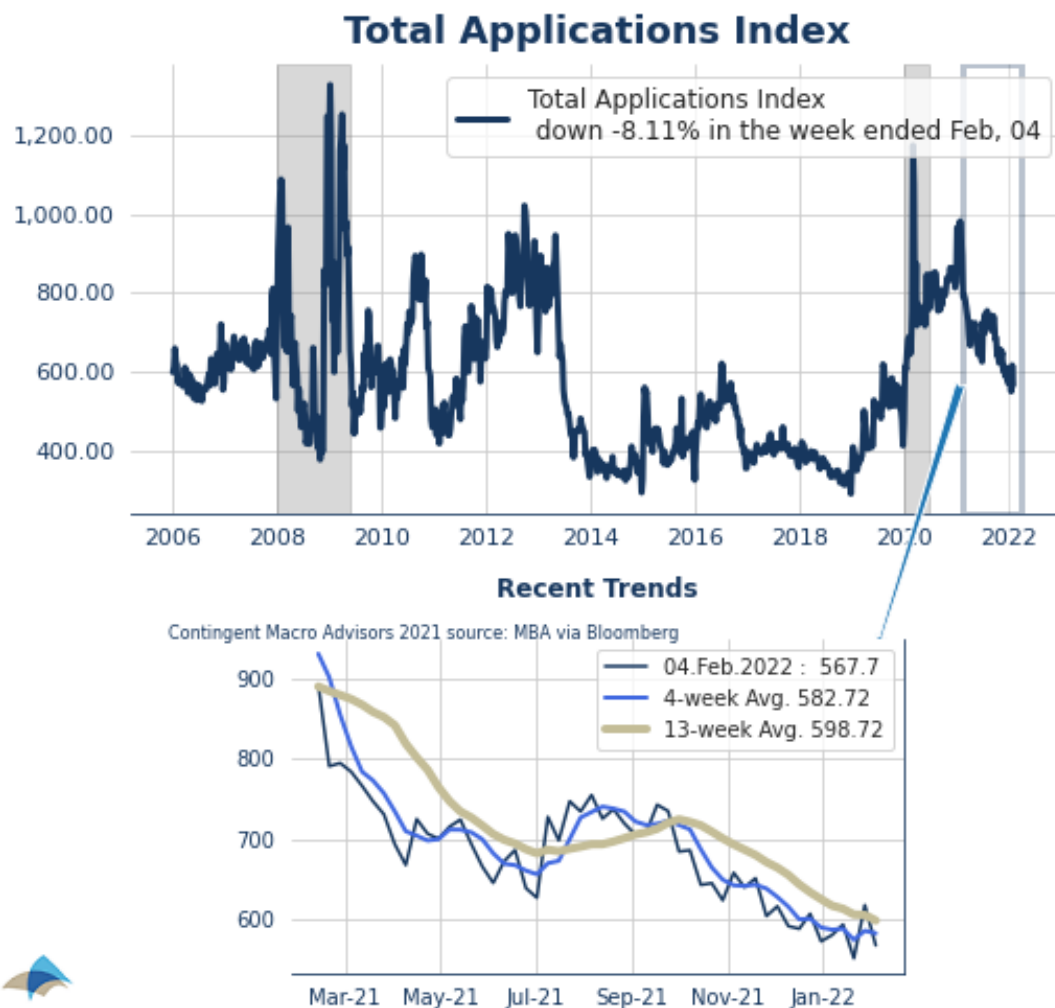


09.Feb.2022

Mortgage Apps: Swift Decline, Rates Near 4%

Bottom Line: As 30-year mortgage rates pushed towards 4% last week, refi and purchase applications fell. Current coupon yields in the secondary market were up 19bps last week, closing at 2.74%, and were up 3.0 bps this week through Tuesday. Spreads to a blend of Treasury yields were modestly wider. Overall, the trend in total applications has been slower since September, when average effective mortgage rates started to move higher. Refinancing activity has closely tracked rates and is now back to early 2020 levels. Purchase activity meanwhile has proven more resilient to higher rates, but the trend is losing momentum and bears watching as homeowners start to think about the spring and early summer selling season.



The MBA Mortgage Application Index FELL sharply, DOWN -8.1% to 568.0, BELOW the 13-week average of 599.0 and -39.6% BELOW the year-ago level. Non-seasonally adjusted the index FELL -5.6%.

The Purchase Index FELL sharply, DOWN -9.6% to 282.0, BELOW the 13-week average of 295.0 and -11.4% BELOW the year-ago level.

The Refinancing Index FELL -7.3% to 2184.0, BELOW the 13-week average of 2376.0 and -52.0% BELOW the year-ago level.

The effective (adjusted for points paid) 30-year mortgage rate ROSE 6bps to 3.95%, ABOVE the 13-week average of 3.56% and 29bps ABOVE the year-ago level.

Purchase Index

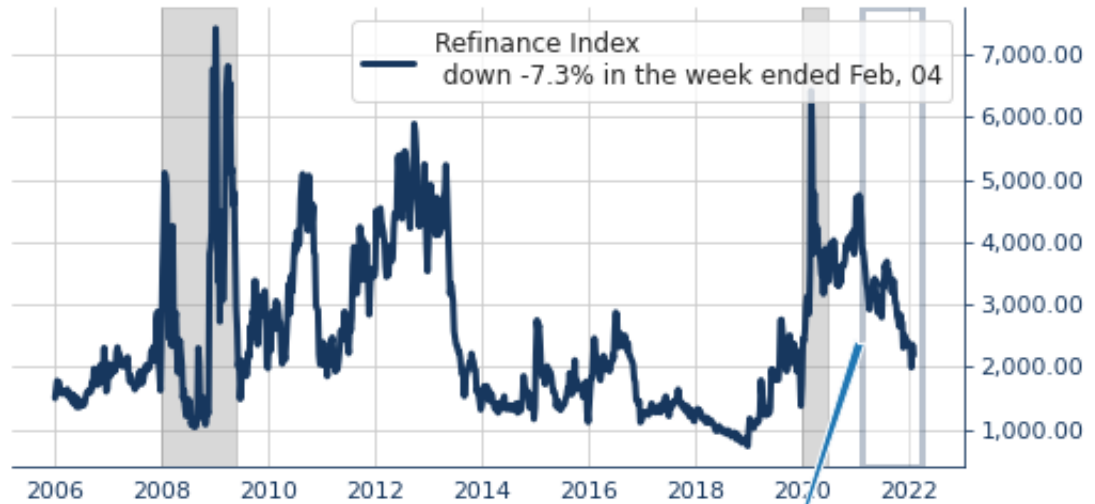


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBA 30-yr Fixed Mortgage Effective Rate

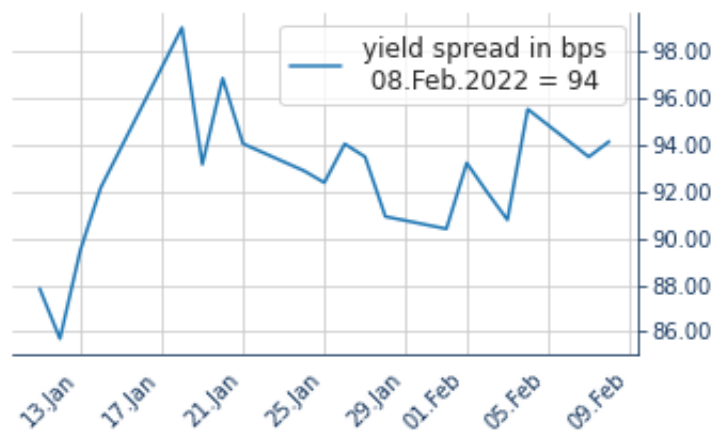


Recent Trends

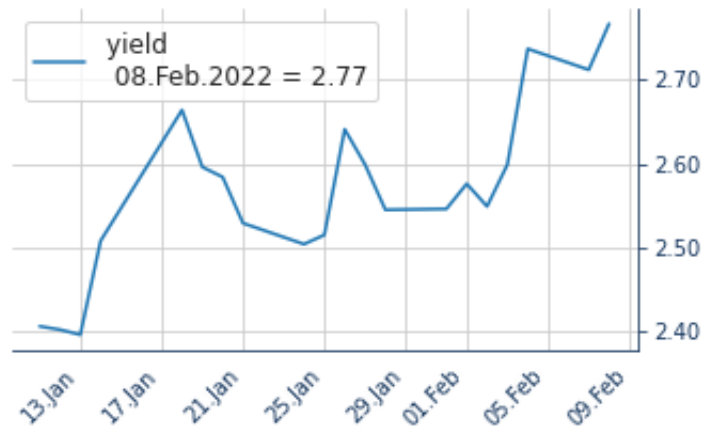
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon spread to Blend of Treasury Yields



MBS Current Coupon Yield

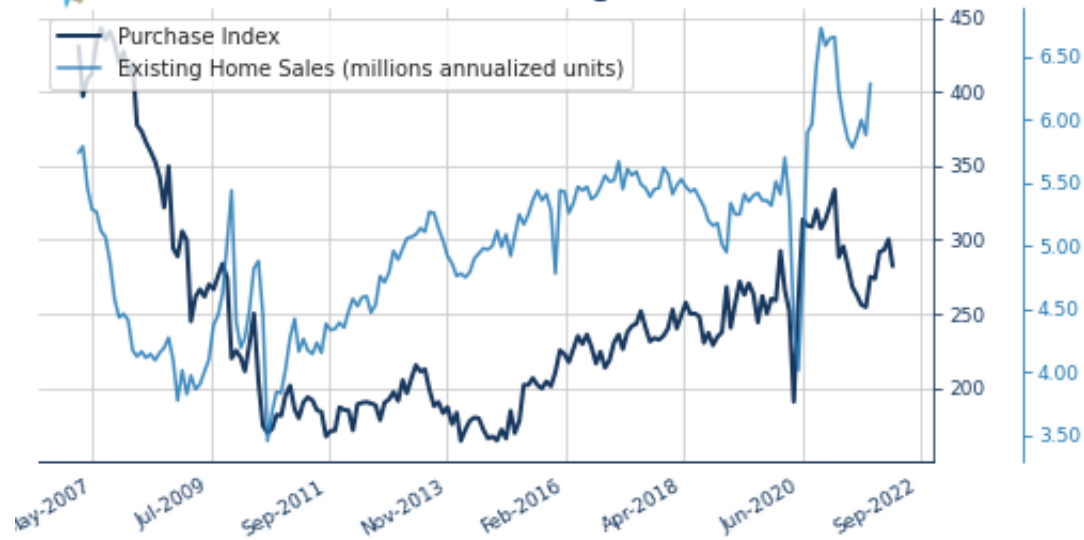


Mortgage Rates

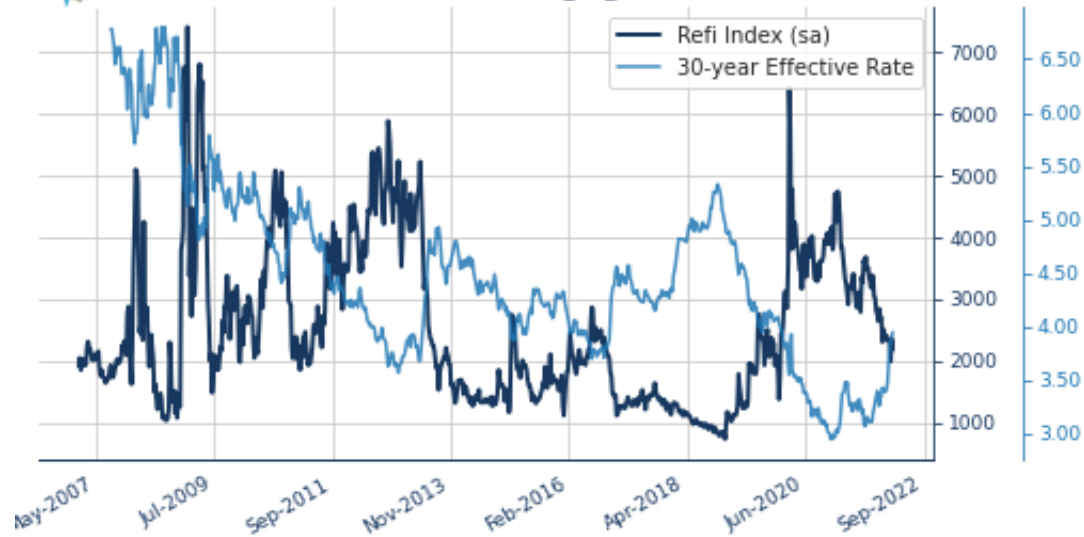




Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	04.Feb	28.Jan	21.Jan	14.Jan	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	567.70	617.80	551.70	593.70	567.70	585.95	598.72	683.20
Week % Chg	-8.10	12.00	-7.10	2.30				
Total Apps NSA % Chg.	-5.57	15.42	-5.64	3.04				
Purchase Index	282.30	312.20	300.10	305.70	282.30	300.35	295.27	277.71
Purch. Idx - % Chg.	-9.58	4.03	-1.83	7.87				
Refinance Index	2183.50	2355.40	1989.40	2276.30	2183.50	2242.72	2375.95	3039.10
Refi. Idx - % Chg.	-7.30	18.40	-12.60	-3.13				

Ref % Tot	56.20	57.30	55.80	60.30	56.20	59.38	61.60	63.24
MBA 30-yr Fixed Mortgage Effective Rate	3.95	3.89	3.85	3.77	3.95	3.79	3.56	3.33
MBA 30-yr Fixed Points	0.40	0.41	0.43	0.45	0.40	0.43	0.42	0.38
MBA 15-yr Fixed Mortgage Contract Rate	3.16	3.01	3.00	2.95	3.16	2.92	2.74	2.57
MBA 15-yr Fixed Mortgage Effective Rate	3.16	3.01	3.00	2.95	3.16	2.92	2.74	2.57
MBA 15-yr Fixed Points	0.47	0.41	0.39	0.43	0.47	0.39	0.36	0.32
MBA 5-yr ARM Effective Rate	3.13	3.09	3.18	3.04	3.13	3.08	2.89	2.79

source: Mortgage Banker Association via Bloomberg Professional